6. As there is no proof of age and no medical examination old and sickly people enlist themselves as members under such schemes and inflate the death ratio to 2½ and 3 per 100 per month which is double that of ordinary Life Insurance Companies. As time elapses, this ratio will go higher still and will prevent the influx of new members upon which depends the very existence of the company.

7. A large number of the Managing Agents are adventurers out to make money by voting themselves fat salaries and commission and are making fantastic promises of large returns in a short time and practically robbing the poorer of the public of their hard-earned money. Most of them are insurance canvassers who have raised themselves all of a sudden to the status of Managing Directors. Some of them are also discovered to have a shady past.

8. The personnel of the Directors is composed mostly of men of some social status who are taken in by the catch-phrase of Swadeshi and some of them are now tendering their resignations when they discovered the truth behind thin veneer of Swadeshi.

9. A majority of these companies are making changes in the rules from time to time which are detrimental to the interests of the existing members. Gujarati prospectuses of some of the companies differ materially from their English prospectuses.

10. All such companies do not promise to pay any fixed sum within a fixed period of time to the nominee of the deceased.

11. Some companies promise to pay surrender value and loans on paid-up Policies, which it is impossible to give under such schemes.

12. The most objectionable feature of such societies is the form in which their accounts are drawn up which is so complicated that in the case of many societies even an expert cannot gauge therefrom the true position of a society.

13. These companies are a curse to Indian Insurance enterprises."

Motion put and carried.

Secretary to the Council.—The title of the Bill is "The Cochin Provident Insurance Societies Bill."

Mr. K. T. Mathew.—Sir, I move that the Bill may be referred to a Select Committee of the following Members:—Mr. P. Krishna Menon, Mr. Paul Mampilli, Mr. M. K. Raman, Mr. K. P. Vallon, the Lady Member, the Government Advocate and the Mover.

Mr. K. M. Ibrahim.—I second it.

Motion put and carried.

President.—I nominate the Government Advocate as the Chairman and the Committee will report within 6 months.

Resolutions.—1. Levying of Water-tax in the Ernakulam Municipality—(*cont*).

Mr. V. K. Aravindaksha Menon.—Sir, this resolution recommends that the free allowances for service connections in Ernakulam should be calculated on the basis of a three month period. The present practice is to calculate it for a period of one month.

Now, I shall state a few words on these free allowances and the principle on which these are instituted. The Munici-

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pality of Ernakulam have levied a small nominal water tax on the people. It was thought that in return to this tax the people should be allowed the use of water sufficient for their absolute needs. Then came the question as to how to fix this quantity. Many factors had to be taken into consideration in a discussion of this question and all of them were of a highly controversial nature. For example, the question of the quantity of water required for a person for a day is one on which a unanimous agreement cannot be reached. After a good deal of investigation an arbitrary decision was made, fixing it at 15 gallons per person. But having fixed a certain quantity, the question of fixing this for every house in the town has to be taken into account. Now, the number of persons in each house varies, and in any particular house this number will vary on different days. It will therefore be seen that it is impracticable to fix free allowances on the basis of the numerical strength of the persons inhabiting houses. Then came another arbitrary decision. It was decided that the free allowances shall be fixed on the basis of the annual rental values of the houses and that this should be done on a graduated scale. Thus for houses having rental values of between Rs. 240 and 480, the daily free allowance shall be 200 gallons. For houses having the annual rental value between Rs. 480 and 960, the daily free allowance shall be 250 gallons and so on.

As I said before, this method of fixing free allowances is quite arbitrary and unjust. For, according to these rules, it will surely happen that a poor man's family living in a small house is allowed only a comparatively smaller quantity of water than that for a rich man's family having fewer members. But we have to adopt this system for want of a more equitable one which is at the same time practicable.

Any way, the main principle of grant of free allowances should not be forgotten. This principle is that the free allowance to a certain house is made to meet the absolutely necessary daily needs of the people living in that house. Mark you! —it is to make the daily needs and not for a monthly need or a yearly need, because a domestic watersupply is to meet the daily needs of the people. Strictly speaking, therefore, these accounts of free allowances have to be settled every day. Again we are forced to abandon this ideal on account of its impracticability. As a compromise, the next convenient unit of time which is a month was selected. So we calculate for a month the daily free allowances for a house and charge the house owner only for the excess water consumed over that quantity. For months having 31 days, the free allowance

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is the daily free allowance allowed by the rules multiplied by 31 and for the month having 28 days, the free allowance is the daily allowance multiplied by 28. That is to say, we do not depart from the main principle in this respect and that is, we are concerned only with the daily requirements of the people in this question of free allowances. Or in other words, if a person is allowed 15 gallons per day and if he did not use it at all on any day, he is not supposed to or entitled to use 30 gallons the next day. This is because, 15 gallons is supposed to be sufficient for him for any day. He is also not supposed to spend these savings as charities to poor people around him, no more than he can sell this water to industrial concerns like coffee-shops, etc. This being the main principle on which the free allowances are fixed, I hope the House will see that the existing practice of free allowance on a monthly basis is the most satisfactory methed within practical limits. This is also the system followed by all the other Municipalities in India.

Now, if the proposal contained in the resolution be given effect to, there is a likelihood of its adversely affecting Municipal revenues and increasing their expenditure. I therefore think that it would be proper if we do not decide this question at this stage, but leave it to the Municipality to do it. This resolution only affects the Municipality and the people living in the town of Ernakulam.

Dr. A. R. Menon—With reference to this, did the Government receive any communication from the Municipalily?

Mr. V. K. Aravindaksha Menon.—No.

Mr. Paul Mampilli—Has the Municipality any power to alter the rules framed by Government for water supply?

Mr. V. K. Aravindaksha Menon.—They can consider this question and communicate their recommendation to the Government.

Mr. Paul Mampilli.—If the opinion of the Municipality is in favour of the resolution that has been tabled here, will the Government be pleased to accept that and act accordingly?

Mr. V. K. Aravindaksha Menon.—The Government will consider the recommendations.

Mr. A. Sankara Poduval.—May I know the extent of the municipal area not served by public hydrants at Ernakulam?

Mr. V. K. Aravindaksha Menon.—I cannot say.

Mr. A Sankara Poduval.—Even roughly?

Mr. V. K. Aravindaksha Menon.—No, I cannot say.

Mr. A. Sankara Poduval—May I know whether there is any prospect of hydrants being put up throughout the Municipal area in another two years?

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Mr. V. K. Aravindaksha Menon.—So far as I know, the Municipality of Ernakulam is not extending their lines to a large extent. They are in fact closing down hydrants so that I should naturally infer that there is not a great dearth of public hydrants in Ernakulam.

Mr. A. Sankara Poduval.—On the assurance given by the Government that if the matter is acceptable to the Municipality the Government will consider, I beg to withdraw the resolution.

Resolution was, with leave, withdrawn.

2. Department of Industries and Commerce.

Mr. K. T. Mathew.—Sir, I move that *this Council recommends to the Government to organise a department of industries and commerce.*

In commending this resolution to the acceptance of this House, I may first of all point out that this is the most opportune moment for this House to pass such a resolution and for the Government to create such a department. So far the Government have not been receiving any substantial contribution towards the expenses of the State either from the people who are engaged in industries or in commerce. But, very recently a bill to tax them, I mean the Income-tax Bill, was introduced by the Government in this Council and the Council has passed it. And that bill will soon come into operation Since we are going to tax those who are engaged in industries and commerce, is it not fair that their interests should be looked into? There would have been an excuse for not introducing such a department if the Government were not going to tax the people. But since the Government have made up their minds and taken definite steps to tax the industrial and commercial classes, it is in the fitness of things that the Government do something to advance their interests. So I say this is the most opportune time for constituting a Department of Commerce and Industry.

Further I beg to point out another reason for saying that this is the most opportune moment for constituting such a department. We have the Cochin Harbour scheme, we are spending annually large sums on this harbour scheme and it is expected that this harbour will soon become one of the most important harbours in India. With the development of the harbour, we will have many important questions connected with commerce and industry to be dealt with. Even now there are some such questions facing us. The commercial class in Mattancheri is pressing to organise such a department. The Hon'ble Member for Mattancheri had tabled a resolution at the last meeting for creating such a department. In the agenda of

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